

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**ELECTRONIC APPLICATION OF KENTUCKY )  
UTILITIES COMPANY FOR AN ADJUSTMENT )  
OF ITS ELECTRIC RATES AND FOR ) CASE NO. 2016-00370  
CERTIFICATES OF PUBLIC CONVENIENCE )  
AND NECESSITY )**

**ELECTRONIC APPLICATION OF LOUISVILLE )  
GAS AND ELECTRIC COMPANY FOR AN )  
ADJUSTMENT OF ITS ELECTRIC AND GAS ) CASE NO. 2016-00371  
RATES AND FOR CERTIFICATES OF PUBLIC )  
CONVENIENCE AND NECESSITY )**

**KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.'S  
RESPONSE TO COMMISSION STAFF'S  
SECOND REQUEST FOR INFORMATION**

1. Refer to the Supplemental Testimony of Stephen J. Baron, pages 4-8, wherein Mr. Baron discusses his contention that the hourly load projection methodology used for the revised cost-of-service studies filed by Kentucky Utilities Company ("KU") and Louisville Gas and Electric Company ("LG&E") continue to produce unreliable results. The majority of Mr. Baron's discussion centers on KU's FLS tariff. State whether Mr. Baron believes that the results of the revised LG&E cost-of-service study are unreliable.

RESPONSE:

As discussed in Mr. Baron's Supplemental Testimony, he has performed a specific analysis of the KU FLS hourly load data and has concluded that there continues to be a significant problem with at least the KU FLS data. This means that the Rate FLS demands are incorrect for the test year and therefore the results of the KU BIP and LOLP cost of service studies are not reliable. While Mr. Baron has not performed a specific analysis of the hourly load projections for LG&E rate classes, his concerns regarding the Companies' methodology would apply to LG&E rate classes, particularly large commercial and industrial rate classes with a relatively small number of large customers. As such, Mr. Baron believes that the methodological problems that he has identified as such that neither the KU nor LG&E class cost of service results are reliable in this case.

**AFFIDAVIT**

STATE OF GEORGIA        )

COUNTY OF FULTON        )

STEPHEN J. BARON, being duly sworn, deposes and states: that the attached is his sworn testimony and that the statements contained are true and correct to the best of his knowledge, information and belief.

*Stephen J. Baron*  
\_\_\_\_\_  
Stephen J. Baron

Sworn to and subscribed before me on this  
20th day of April 2017.

*Jessica K. Inman*  
\_\_\_\_\_  
Notary Public

